

**ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

April 16, 2021
8:08 a.m.

DRAFT

MEMBERS PRESENT

Representative Zack Fields, Co-Chair
Representative Ivy Spohnholz, Co-Chair
Representative Calvin Schrage
Representative Liz Snyder
Representative David Nelson
Representative James Kaufman
Representative Ken McCarty

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 87

"An Act relating to credit for reinsurance; and providing for an effective date."

- MOVED SB 87 OUT OF COMMITTEE

HOUSE BILL NO. 145

"An Act relating to the Board of Pharmacy; relating to health care services provided by pharmacists and pharmacy technicians; and relating to the practice of pharmacy."

- MOVED HB 145 OUT OF COMMITTEE

HOUSE BILL NO. 149

"An Act relating to allowing certain child day care providers to organize for the purpose of collective bargaining."

- HEARD & HELD

HOUSE BILL NO. 125

"An Act relating to private sector and state employment preferences for active service members, veterans, and spouses and dependent children of active service members and veterans; relating to employment preferences for surviving spouses of

deceased service members and veterans; and relating to employment preferences for disabled veterans and former prisoners of war."

- HEARD & HELD

CONFIRMATION HEARING(S) :

Alaska Workers' Compensation Board

Dave Talerico - Healy

- CONFIRMATION(S) ADVANCED

PREVIOUS COMMITTEE ACTION

BILL: SB 87

SHORT TITLE: REINSURANCE; CREDITS

SPONSOR(S) : RULES BY REQUEST OF THE GOVERNOR

02/22/21	(S)	READ THE FIRST TIME - REFERRALS
02/22/21	(S)	L&C
03/08/21	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/08/21	(S)	Heard & Held
03/08/21	(S)	MINUTE(L&C)
03/19/21	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/19/21	(S)	Moved SB 87 Out of Committee
03/19/21	(S)	MINUTE(L&C)
03/22/21	(S)	L&C RPT 5DP
03/22/21	(S)	DP: COSTELLO, GRAY-JACKSON, STEVENS, REVAK, HOLLAND
03/31/21	(S)	TRANSMITTED TO (H)
03/31/21	(S)	VERSION: SB 87
04/05/21	(H)	READ THE FIRST TIME - REFERRALS
04/05/21	(H)	L&C
04/12/21	(H)	L&C AT 3:15 PM BARNES 124
04/12/21	(H)	Heard & Held
04/12/21	(H)	MINUTE(L&C)
04/16/21	(H)	L&C AT 8:00 AM GRUENBERG 120

BILL: HB 145

SHORT TITLE: EXPAND PHARMACIST AUTHORITY

SPONSOR(S) : SNYDER

03/24/21	(H)	READ THE FIRST TIME - REFERRALS
03/24/21	(H)	L&C, HSS
04/12/21	(H)	L&C AT 3:15 PM BARNES 124

04/12/21	(H)	Heard & Held
04/12/21	(H)	MINUTE (L&C)
04/16/21	(H)	L&C AT 8:00 AM GRUENBERG 120

BILL: HB 149

SHORT TITLE: CHILD CARE PROVIDER COLLECTIVE BARGAINING
SPONSOR(S): FIELDS

03/24/21	(H)	READ THE FIRST TIME - REFERRALS
03/24/21	(H)	L&C, STA
04/02/21	(H)	L&C AT 8:00 AM GRUENBERG 120
04/02/21	(H)	<Bill Hearing Canceled>
04/05/21	(H)	L&C AT 3:15 PM BARNES 124
04/05/21	(H)	Heard & Held
04/05/21	(H)	MINUTE (L&C)
04/16/21	(H)	L&C AT 8:00 AM GRUENBERG 120

BILL: HB 125

SHORT TITLE: MILITARY AND FAMILY EMPLOYMENT PREFERENCE
SPONSOR(S): NELSON

03/05/21	(H)	READ THE FIRST TIME - REFERRALS
03/05/21	(H)	MLV, L&C
03/16/21	(H)	MLV AT 1:00 PM GRUENBERG 120
03/16/21	(H)	Heard & Held
03/16/21	(H)	MINUTE (MLV)
03/18/21	(H)	MLV AT 1:00 PM GRUENBERG 120
03/18/21	(H)	Moved HB 125 Out of Committee
03/18/21	(H)	MINUTE (MLV)
03/20/21	(H)	MLV RPT 6DP
03/20/21	(H)	DP: CLAMAN, TARR, SHAW, NELSON, RAUSCHER, TUCK
04/16/21	(H)	L&C AT 8:00 AM GRUENBERG 120

WITNESS REGISTER

ANGELA JAGLOWICZ, PharmD
Anchorage, Alaska

POSITION STATEMENT: Testified as a pharmacist in support of HB 145.

DAN NELSON, PharmD, Director of Pharmacy
Tanana Chiefs Conference
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 145.

JAY FLYNN, MD

Norton Sound, Alaska

POSITION STATEMENT: Testified as a physician in support of HB 145.

KYLIE GOFF

Nome, Alaska

POSITION STATEMENT: Testified in support of HB 145.

BARRY CHRISTENSEN, RPh, Legislative Committee Co-Chair

Alaska Pharmacists Association

Ketchikan, Alaska

POSITION STATEMENT: Testified in support of HB 145.

NATALIE MCCAY

Petersburg, Alaska

POSITION STATEMENT: Testified in support of HB 145.

DOUGLAS BARTKO

Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 145.

JUSTIN RUFFRIDGE, PharmD

Board of Pharmacy

Soldotna, Alaska

POSITION STATEMENT: Testified in support of HB 145.

MARK BOHRER, RPh, Pharmacy Practice Coordinator

Fred Meyer

Chugiak, Alaska

POSITION STATEMENT: Testified in support of HB 145.

DIRK WHITE, RPh

Sitka, Alaska

POSITION STATEMENT: Testified as a pharmacist in support of HB 145.

TALETHIA BOGART

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 145.

JACOB JORDAN

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 145.

MARGARET SODEN, RPh

Fairbanks, Alaska

POSITION STATEMENT: Testified as a pharmacist in support of HB 145.

KAREN MILLER, RPh
Fairbanks, Alaska

POSITION STATEMENT: Testified as a pharmacist in support of HB 145.

AMY TAUL
Anchorage, Alaska

POSITION STATEMENT: Testified as a pharmacist in support of HB 145.

SUSAN WHEELER, PharmD
Bethel, Alaska

POSITION STATEMENT: Testified as a pharmacist in support of HB 145.

RENEE ROBINSON, PharmD
Anchorage, Alaska

POSITION STATEMENT: Testified as a pharmacist in support of HB 145.

CHRISTINA EUBANKS
Anchorage, Alaska

POSITION STATEMENT: Testified as an early childhood education provider in support of HB 149.

REPRESENTATIVE DAVID NELSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 125.

KIM SKIPPER, Staff
Representative David Nelson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for HB 125 on behalf of Representative Nelson, prime sponsor.

TAMMIE PERREAULT, Northwest Regional Liaison
Defense-State Liaison Office
U.S. Department of Defense
Olympia, Washington

POSITION STATEMENT: Testified in support of HB 125.

DAN WAYNE, Attorney

Legislative Legal Services
Legislative Affairs Agency
Juneau, Alaska

POSITION STATEMENT: Provided information and answered questions during the hearing on HB 125.

PAM DAY, Deputy Director-Personnel
Division of Personnel and Labor Relations
Department of Administration
Juneau, Alaska

POSITION STATEMENT: Provided information and answered questions during the hearing on HB 125.

ACTION NARRATIVE

[8:08:51 AM](#)

CO-CHAIR ZACK FIELDS called the House Labor and Commerce Standing Committee meeting to order at 8:08 a.m. Representatives Fields, Snyder, Schrage, Nelson, and McCarty were present at the call to order. Representatives Kaufman and Spohnholz arrived as the meeting was in progress.

^#sb87

SB 87-REINSURANCE; CREDITS

[8:09:32 AM](#)

CO-CHAIR FIELDS announced that the first order of business would be SENATE BILL NO. 87, "An Act relating to credit for reinsurance; and providing for an effective date."

[8:10:06 AM](#)

REPRESENTATIVE MCCARTY moved to report SB 87 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SB 87 was reported out of the House Labor and Commerce Standing Committee.
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[8:10:45 AM](#)

The committee took an at-ease from 8:10 a.m. to 8:12 a.m.

^#hb145

HB 145-EXPAND PHARMACIST AUTHORITY

[8:12:56 AM](#)

CO-CHAIR FIELDS announced that the next order of business would be HOUSE BILL NO. 145, "An Act relating to the Board of Pharmacy; relating to health care services provided by pharmacists and pharmacy technicians; and relating to the practice of pharmacy."

[8:13:11 AM](#)

REPRESENTATIVE SNYDER reminded the committee that the proposed legislation is intended to clearly define the patient care services that can be provided by pharmacists. She noted that the COVID-19 pandemic particularly highlighted those services, and that HB 145 would help ensure regulation by the Board of Pharmacy as well as contain a component ensuring reimbursement by insurance providers. She noted Representative Kaufman's concern regarding the term "general health and wellness," expressed during the April 12, 2021, meeting of the House Labor and Commerce Standing Committee, which she said would be addressed during this hearing.

[8:14:20 AM](#)

CO-CHAIR FIELDS opened public testimony on HB 145.

[8:14:32 AM](#)

ANGELA JAGLOWICZ, PharmD, testified in support of HB 145, noting that she is a practicing primary care pharmacist and certified diabetes education specialist. She described working directly with primary care providers (PCPs) in caring for patients with chronic diseases, ensuring that medications are employed to provide the best possible health outcome for the patient. She pointed out that the care she provides is easily accessed and provides continuity of care while freeing up the schedules of busy PCPs for more urgent situations. She said that as a result of ongoing visits, her patients are able to develop the knowledge needed to manage their own health care more effectively.

[8:16:19 AM](#)

DAN NELSON, PharmD, Director of Pharmacy, Tanana Chiefs Conference, testified in support of HB 145, noting that the COVID-19 pandemic required an "all hands on deck" situation for healthcare professionals. He characterized pharmacists as some

of the most accessible healthcare professionals and that they have rapidly responded to Alaska's healthcare needs. He urged the committee's support for HB 145.

[8:17:35 AM](#)

JAY FLYNN, MD, testified in support of HB 145, explaining that doctors can't always get to patients with lifesaving vaccines. He said pharmacists' contribution allows the medical community to have a stronger impact in the Norton Sound area.

[8:18:56 AM](#)

KYLIE GOFF testified in support of HB 145. She said that the medical community relies heavily on the expertise of pharmacists, who have been leaders in organizing child immunizations and well-child checkups. She said that the impact of pharmacists is felt more in communities with a shortage of primary care providers.

[8:21:17 AM](#)

BARRY CHRISTENSEN, RPh, Legislative Committee Co-Chair, Alaska Pharmacists Association, testified in support of HB 145. He noted the changes within the profession in recent decades and said today's pharmacists are in a better position to help meet their patients' pharmaceutical needs. In order for community pharmacies to survive and serve patients, he said, the statutory language in HB 145 is necessary.

[8:23:05 AM](#)

NATALIE MCCAY testified in support of HB 145. She said she is a certified pharmacy technician and expressed that the proposed legislation would be especially important to rural and underserved areas such as Petersburg. Pharmacists are often the first stop when patients have questions, she said, and allowing pharmacists and their support staff to provide certain health care services would increase access to health care.

[8:24:01 AM](#)

DOUGLAS BARTKO testified in support of HB 145. He discussed the problem of claim rejection experienced by pharmacists, saying they need to be paid for the services they provide.

[8:25:43 AM](#)

JUSTIN RUFFRIDGE, PharmD, testified on behalf of the Board of Pharmacy in support of HB 145.

[8:26:21 AM](#)

MARK BOHRER, RPh, Pharmacy Practice Coordinator, Fred Meyer, testified in support of HB 145 as the supervisor of all Fred Meyer pharmacy locations in Alaska. He said he has practiced pharmacy in Alaska for 31 years and described how pharmacists have "stepped up" during the COVID-19 pandemic, providing testing and vaccinations.

[8:27:55 AM](#)

DIRK WHITE, RPh, testified in support of HB 145. He expressed that the practice of pharmacy has changed in the past 35 years and statutes need to evolve into the new century. He said his pharmacy has started offering strep tests and COVID-19 tests but because he and his employees are not classified as medical providers, they're not able to bill insurance companies and are forced to charge patients directly. Passage of HB 145, he said, would improve the profession and allow pharmacists to increase access to healthcare in all parts of Alaska.

[8:30:24 AM](#)

TALETHIA BOGART testified in support of HB 145. She shared that she is in her 3rd year of pharmacy school and previously was a high school science teacher and pharmacy technician. She said she understands the shortage of health care services in Alaska and that she believes HB 145 would alleviate some of those issues, primarily in primary care settings. She said that she's being prepared to handle many areas of health care including primary care, critical care, emergency medicine, and community pharmacy, and pointed out that she's seen firsthand the impact of her training in remote communities. She said she's participated in COVID-19 vaccine clinics, administering hundreds of vaccines and providing general health care information.

[8:33:00 AM](#)

JACOB JORDAN testified in support of HB 145. He shared that he is a pharmacy student in his third year, having previously served nine years in the military after graduating from the United States Military Academy at West Point. He described the intense training to become a Doctor of Pharmacy, including four

years of education on medication use, safety, and monitoring, with a focus on chronic disease management, health and wellness support, and providing preventative health services in a community setting. He said he's required to have over 2,000 hours of clinical experience, culminating in his clinical training during his fourth year in the program, as well as three years of classroom-based training. Students within the program have taken independent healthcare initiatives, he said, with his class training over 60 volunteers each year to assist in community health care. He said HB 145 would help modernize Alaska's pharmacy practice statutes and resolve longstanding regulatory issues, thereby allowing patients more access to pharmacy healthcare services.

[8:35:09 AM](#)

MARGARET SODEN, RPh, testified in support of HB 145. She pointed out how pharmacists, pharmacy technicians, and pharmacy students helped during the COVID-19 pandemic. She described some of the changes in the profession since she took her licensing exam in 1965, when the practical exam tested how well one could fold papers for containing powder. She said that all areas of medicine, including pharmacy, have become more sophisticated and it's important to empower the Board of Pharmacy to recognize the changes.

[8:37:00 AM](#)

KAREN MILLER, RPh, testified in support of HB 145, sharing that she's been a pharmacist at Fairbanks Memorial Hospital for 27 years. She described helping with hospice, long-term care, and patient discharges, noting that oftentimes the pharmacist is in the background ensuring direct and affordable drug therapy. She said pharmacists often struggle to get reimbursement and that she believes HB 145 would be beneficial.

[8:38:24 AM](#)

AMY TAUL testified in support of HB 145, sharing that she is the clinical faculty pharmacist at Providence Family Medicine Center. She said that the primary resource for treatment is medication, and medical school graduates often receive only one semester of pharmacology. She described supporting physicians and patients through medication and chronic disease management, working alongside physicians to assist in choosing the appropriate medication. She talked about working directly with patients in general health care and disease management, often

counseling patients and making the appropriate recommendations. Utilizing clinical pharmacists, she said, would make physicians available to treat more patients.

[8:41:36 AM](#)

SUSAN WHEELER, PharmD, testified in support of HB 145, sharing that she is a pharmacist at the Yukon-Kuskokwim Health Corporation. She said that pharmacists are fully integrated with other healthcare professionals but are unable to receive compensation for their services due to the absence of their ability to enroll as billing providers. She said pharmacists are often the most readily available healthcare professionals, but are the only providers not currently listed in the provider anti-discrimination statute, meaning they do not receive the same compensation as another professional providing the same service. She said the lack of compensation makes it difficult to sustain and provide the services pharmacists are qualified to provide, which may prevent patients from obtaining needed healthcare.

[8:43:32 AM](#)

RENEE ROBINSON, PharmD, testified in support of HB 145, sharing that she is an associate professor at the University of Alaska Anchorage/Idaho State University College of Pharmacy. She described her extensive experience working with underserved populations. She said HB 145 would resolve longstanding regulatory issues that impede progress while supporting Board of Pharmacy oversight.

[8:45:34 AM](#)

CO-CHAIR FIELDS, after ascertaining that no one else wished to testify, closed public testimony on HB 145.

[8:45:59 AM](#)

CO-CHAIR SPOHNHOLZ moved to report HB 145 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 145 was reported out of the House Labor and Commerce Standing Committee.
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[8:46:26 AM](#)

The committee took an at-ease from 8:46 a.m. to 8:48 a.m.

^#hb149

HB 149-CHILD CARE PROVIDER COLLECTIVE BARGAINING

[8:48:54 AM](#)

CO-CHAIR SPOHNHOLZ announced that the next order of business would be HOUSE BILL NO. 149, "An Act relating to allowing certain child day care providers to organize for the purpose of collective bargaining."

[8:49:12 AM](#)

CO-CHAIR FIELDS, as prime sponsor, summarized the HB 149. He explained that it would allow child care providers, which include business owners and employees, to vote for unionization and subsequently negotiate with the state for wages and benefits. He said that unionization would follow the "Right to Work" model, with membership being optional, but those who did choose to join would have wages and benefits set by a sectoral model designed to raise both wages and benefits, reduce turnover, and provide a structure under which members could have access to better and more affordable healthcare and to structured training.

[8:50:54 AM](#)

CHRISTINA EUBANKS testified in support of HB 149. She said she's been an early childhood education provider in Alaska for 14 years. She said that the poor wages and benefits of child care providers is detrimental to working families, and a healthy early learning system depends on having a variety of providers that are well-trained and well-compensated. She said that Alaska's youngest residents experience alarming rates of adverse childhood experiences, and a quality early learning system supports children and families in building resiliency. The system in Alaska doesn't provide the livable wages necessary to keep a trained workforce, she said, with early childhood educators among the lowest-paid professionals in the state despite the high cost of child care.

MS. EUBANKS said financial investment in early childhood saves money in education and health care costs in the long term. The majority of early childhood educators live in poverty, which causes stress and decreases the ability of providers to be attuned to the needs of the children in their care. Losing a child care provider causes stress on the family and children,

and with the shortage of child care providers in Alaska families have to choose a provider based on what's available instead of on what's best for the family or child. She said that everything possible needs to be done to minimize stress on families, children, and providers, and to keep child care businesses open, as well as attract new ones, and to incentivize providers. Allowing independent child care business owners the ability to engage in collective bargaining with the state, she said, would provide a way to increase wages and keep programs open.

8:54:22 AM

REPRESENTATIVE MCCARTY asked whether the proposed legislation could reclassify private employees as state employees.

8:56:49 AM

CO-CHAIR FIELDS explained that the proposed legislation would not designate child care employees as public employees. He said that it's also stated in the proposed legislation that nothing in the unionization or collective bargaining actions would change the nature of the employee/employer relationship. He said that under that provision, the child care sector, by negotiating as such, would experience better outcomes for workers, business owners, and working parents who utilize child care providers. He said that it would not be a model used by other sectors of the economy because most other sectors are under the purview of the National Labor Relations Act (NLRA). He expressed that the history of excluding domestic and farm workers from foundational labor laws allows space to create a new model for a collective bargaining structure; the new structure would not affect the industries currently under the purview of the NLRA, as those industries could continue collective bargaining within the framework of that law.

REPRESENTATIVE MCCARTY asked, "In the work of Cesar Chavez, didn't he not override what happened in the 1930s to acknowledge those individuals you mentioned?"

CO-CHAIR FIELDS replied that he employed consumer pressure to force union recognition. He said farm workers, historically excluded from rights under NLRA, have the ability to petition an employer for voluntary recognition and may employ public pressure to do so. Employers decided that economic losses resulting from boycotts were so great, he said, that they decided to sign agreements with organizations such as the

Teamsters or the United Farm Workers. Co-Chair Fields pointed out that Cesar Chavez figured out a way to make the system work in favor of workers despite historic exclusions in a different way than that which is contemplated in the proposed legislation.

REPRESENTATIVE MCCARTY asked whether HB 149 would allow child care providers to be subsidized or whether supply and demand would remain in effect.

CO-CHAIR FIELDS explained that with the passage of the American Rescue Plan Act of 2021, the State of Alaska will receive \$76 million per year over what is currently in receipt in community development block grants for child care. He said, "We're going to get a lot of additional resources, as a state, to support child care, and I think we have a choice." He expressed that the choice was between continuing to subsidize child care within the framework of the existing system or expanding supply while raising wages, using the federal resources to reduce turnover, improve working conditions, and not raise prices on parents. It's only because of the infusion of federal money, he said, that such an opportunity exists. Each employer chooses whether or not to participate, he explained, and evidence from other states' show that it's a "win-win" situation which results in a larger pool for health care and training programs along with reduced turnover resulting from higher wages and benefits.

REPRESENTATIVE MCCARTY expressed the belief that subsidizing one industry sets a precedent for all businesses to be subsidized.

CO-CHAIR FIELDS replied that child care subsidies will continue to exist whether or not HB 149 is passed; the question is how to best structure subsidies to meet the needs of parents and employers. He shared his perspective that child care subsidies currently exist in a "broken system" and pointed out that the amount of subsidies is determined by Congress. He referred to the construction industry, in which there are prevailing wages for public construction and well-funded state capital budgets, and said that someone working in construction can support a family. "Why have we made that decision for construction but not child care? Aren't they both important?" he asked. He said that the goal should be to strive to provide conditions under which people can earn a living wage and employers can thrive.

[9:04:06 AM](#)

CO-CHAIR SPOHNHOLZ pointed out that the hospitality industry is subsidized by low-wage workers being on Medicaid. She stated

that a person can make more money working at Starbucks than caring for children. She expressed that it's important to look at different ways of restructuring the system. She said that due in part to the gender pay gap, lack of child care options make it difficult for women to participate in the workforce because the parent who earns less money is the one who stays home with the children. She pointed out that child care consists of a mostly female workforce and is disproportionately composed of people of color.

[9:06:16 AM](#)

CO-CHAIR FIELDS noted that it's important to look at how other developed countries handle child care. He said that many countries subsidize at a much higher level, which is a policy choice they made. He expressed that HB 149 represents the most affordable and least coercive model he could find.

[9:07:53 AM](#)

REPRESENTATIVE KAUFMAN opined that the influx of federal money is attractive when thinking in terms of building programs, but the unionization of child care workers would result in higher costs. He discussed "money printing and the destruction of the dollar" and stated his concern with using federal money. He asked for an explanation of how unionization would reduce the total cost of child care. He then said, "I think the ultimate value of child care rests with - if a mother can raise the child and be with them as much as possible. That's what I had, and it was great." He said he's been "working" since he was four years old because his mother had a job that would allow her to take her child to work with her.

CO-CHAIR FIELDS asked Ms. Eubanks how having a livable wage with benefits positively impacts an employer.

[9:09:53 AM](#)

MS. EUBANKS responded that she has some really skilled staff who she characterized as "meant" to work in child care but who don't see it as a career option because the pay is low and there are no benefits such as health care or retirement. She said society does not commonly have stay-at-home parents anymore, and parents are often working more than one job each, so ensuring that children are loved, cared for, and have good memories is essential.

[9:11:33 AM](#)

CO-CHAIR FIELDS stated that when funding such as the Child Care & Development Block Grants (CCDBG) is permanently authorized, it's rational to plan around it.

CO-CHAIR SPOHNHOLZ asked whether continuing education for providers could be negotiated for as part of the collective bargaining under HB 149.

CO-CHAIR FIELDS replied yes, and pointed out that in other states a pool of employers working together could mean more robust training programs.

[9:12:39 AM](#)

REPRESENTATIVE KAUFMAN suggested that the "core question" is whether HB 149 would strengthen the family or strengthen "the state's approach to raising children."

CO-CHAIR FIELDS responded, "I think the decision has, effectively, been made ... with 40 years of stagnant wages for the middle class." He referred to Ms. Eubanks' statement that most parents must work, and economic conditions have made it so that most working families must rely on child care. He said he's in support of everyone having the choice to stay home and raise children, but economic conditions don't necessarily permit the choice.

REPRESENTATIVE KAUFMAN opined that the transfer of wealth and commerce overseas is a big reason for the erosion of wages and discussed repatriating overseas companies. He suggested that building a better economy would help strengthen the nuclear family.

CO-CHAIR FIELDS agreed and pointed out that countries with strong economies and high-wage jobs are the same countries with the strongest early child care and learning programs, as well as the strongest career and technical education programs. He said those countries invested in early care and learning because that's how to get human capital to a point of being highly-productive workers who are competitive in a global environment.

[9:15:56 AM](#)

CO-CHAIR SPOHNHOLZ pointed out that there are many reasons why a parent would choose to work outside the home and that the

decision should be made by the family instead of by policymakers. She suggested finding a way to remediate the outdated structural system of compensation to ensure that people doing critical work are able to live with dignity.

[HB 149 was held over.]

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[9:17:11 AM](#)

The committee took a brief at-ease. Co-Chair Spohnholz passed the gavel to Co-Chair Fields.

^#hb125

HB 125-MILITARY AND FAMILY EMPLOYMENT PREFERENCE

[9:17:40 AM](#)

CO-CHAIR FIELDS announced that the next order of business would be HOUSE BILL NO. 125, "An Act relating to private sector and state employment preferences for active service members, veterans, and spouses and dependent children of active service members and veterans; relating to employment preferences for surviving spouses of deceased service members and veterans; and relating to employment preferences for disabled veterans and former prisoners of war."

[9:18:25 AM](#)

DREPRESENTATIVE DAVID NELSON, Alaska State Legislature, as prime sponsor, introduced HB 125. He read a sponsor statement, which read as follows [original punctuation provided]:

HB 125 seeks to extend the current private sector and state employment hiring preferences to military spouses and dependent children.

Military spouses are among the highest unemployed and underemployed group. They are highly educated and qualified for a range of careers but because of frequent moves the unemployment rate among military spouses is 24% and there is a 26% wage gap compared to civilian counterparts.

In 2019 the Blue Star Families Military Family Lifestyle Survey found that 49% of military spouses indicated that financial issues were the top stressor

for military families, and 48% were concerned about employment. Of employed military spouses 75 % were considered underemployed. HB 125 can provide some help to reduce these concerns for military families by providing a hiring preference.

A Covid-19 Military Support Initiative created by the Blue Star Families and the Association of Defense Communities found that an additional 17% of military spouses lost their jobs during the pandemic on top of the 24% unemployment before the pandemic.

Currently 35 states and the District of Columbia provide hiring preferences to active-duty spouses or surviving spouses. HB 125 will add Alaska to this growing list of states that support our military community and honor the sacrifices these families make in service to our country.

[9:20:38 AM](#)

KIM SKIPPER, Staff, Representative David Nelson, Alaska State Legislature, on behalf of Representative Nelson, prime sponsor of HB 125, detailed the sectional analysis, which read as follows [original punctuation provided]:

Section 1. AS 18.80.200(c)

This section does not prohibit a private employer from having hiring preferences for persons described in Section 2 of this bill.

Section 2. AS 23.88.010

This section repeals and reenacts the current statute by adding definitions removed from Section 1 for clarity. This section does not prohibit a private employer from having hiring preferences to active-military, veterans and families. This section adds language to include spouses and dependent children of deceased service members to the list.

Section 3. AS 39.25.150(19)

This section amends the State Personnel Act to reference definitions as stated in Section 4 for consistency.

Section 4. AS 39.25.159(a)

This section amends the employment preference for veterans or former prisoners of war by adding new language to include families of an active-duty service member, veteran, or former prisoner of war. This section clarifies the type of preference given the hiring process and whether the applicant is disabled or not. Subsection (B) is removed for consistency.

Section 5. AS 39.25.159(d)

This section clarifies that a person may receive an employment preference under only one of the categories described in sections 3 and 4. A person may use the preference without limitation when being considered for a position for which persons who are not currently state employees are being considered. If the recruitment for a position is limited to state employees, preference under (a) or (c) of this section may not be counted. This section adds language to include spouses or dependent children for consistency with other sections.

Section 6 AS 39.25.159 (e)

This section clarifies that this bill does not involve interpreting amendments of a collective bargaining agreement and makes a reference to subsection (a) of Section 4.

Section 7 AS 39.25.159(f)

This section defines a dependent child.

Section 8 AS 39.25.159(c)

This section removes language that has been included in Section 4 of this bill.

[9:23:03 AM](#)

TAMMIE PERREAULT, Northwest Regional Liaison, Defense-State Liaison Office, U.S. Department of Defense, testified in support of HB 125. She said a February 2020 letter to Governor Mike Dunleavy from the Undersecretary of Defense for Personnel and Readiness highlighted the need to support military spouses and stated that military spouse employment is an important component in retention of servicemembers. More than half of all active-duty personnel are married, she said, and 88 percent of employed military spouses indicated they wanted, or needed, to work. She characterized military spouses as "highly influential" in a servicemember's decision to remain in the military and said over

28 percent of servicemembers reported that their decision to leave the military would be "largely or moderately" affected by their spouse's career prospects. She stated that in addition to be the highest unemployed and underemployed group in the nation, military spouses reported challenges obtaining employment due to frequent moves. She stated the U.S. Department of Defense (DoD) supports the policy within HB 125 and asks the committee to move the proposed legislation forward.

[9:25:50 AM](#)

REPRESENTATIVE SCHRAGE opined that it makes sense to have employment preferences for military spouses but wondered why dependents were included.

REPRESENTATIVE NELSON replied that it may, in some cases, be necessary for a child to work to help support the family.

[9:27:23 AM](#)

REPRESENTATIVE SNYDER asked how many other states included dependents.

REPRESENTATIVE NELSON directed attention to a supporting document from the National Conference of State Legislatures (NCSL) [included in committee packets].

REPRESENTATIVE SNYDER surmised that it's unclear which states include dependents in the policy.

REPRESENTATIVE NELSON replied, "Correct."

[9:28:30 AM](#)

MS. PERREAULT said she doesn't know which states include dependents and said her office could assist with that research.

[9:28:55 AM](#)

CO-CHAIR SPOHNHOLZ shared her experience in working with military spouses and echoed the concerns about the inclusion of dependents, saying unemployment and underemployment is less of a concern among children.

REPRESENTATIVE NELSON said part of the intent of the proposed legislation is to assist families whose servicemember has died.

[9:30:39 AM](#)

REPRESENTATIVE MCCARTY asked whether the proposed legislation would mandate that an employer is required to consider military spouses in hiring decisions and whether an employer could be penalized in any way.

REPRESENTATIVE NELSON responded that the proposed legislation recommends that private businesses consider military spouses and that a military spouse is considered for positions in the public sector.

CO-CHAIR FIELDS asked Mr. Wayne to confirm that the proposed legislation would not inadvertently require private employers to consider an applicant but would protect an employer for choosing to hire from military families.

[9:32:14 AM](#)

DAN WAYNE, Attorney, Legislative Legal Services, Legislative Affairs Agency, confirmed that the text in Section 2 of HB 125 states that an employer may give preference to servicemembers and individuals from military families. He stated that there is nothing in the proposed legislation requiring an employer to give such preference in hiring.

CO-CHAIR FIELDS asked whether Section 2 is the only section that would affect private employers.

MR. WAYNE referred to Section 1, subsection (c), which read as follows:

(c) Nothing in this chapter is intended to prohibit a private employer from granting an employment preference described in AS 23.88.010 [TO A MEMBER OF THE NATIONAL GUARD OR A VETERAN WHEN HIRING AN EMPLOYEE. IN THIS SUBSECTION,

MR. WAYNE clarified that the text would prevent a private employer from being penalized in any way for exercising the preferences under HB 125.

[9:33:52 AM](#)

REPRESENTATIVE SCHRAGE spoke about the merits of hiring military spouses.

[9:34:39 AM](#)

REPRESENTATIVE SNYDER pointed out that page 43 of the 2018 Blue Star Families Military Family Lifestyle Survey [included in the committee packet] discusses the need for increased access to child care.

[9:35:25 AM](#)

CO-CHAIR FIELDS asked Ms. Day to detail how HB 125 would change the hiring process for the State of Alaska.

[9:35:45 AM](#)

PAM DAY, Deputy Director-Personnel, Division of Personnel and Labor Relations, Department of Administration, explained that the state's job application would be updated to add an area where an applicant could add the designation of military spouse or dependent. The state would then "give consideration," she said, meaning the application would be reviewed and the applicant would be selected, rejected, or considered further in the process.

[9:36:35 AM](#)

CO-CHAIR FIELDS asked how the application process would be different from that of someone who is not in a preferential hiring category.

MS. DAY responded that applications are first reviewed to determine whether an applicant meets the minimum qualifications for the job class, then selection such as education or experience is applied. Under HB 125, she said, an application with the military spouse designation would be reviewed further.

CO-CHAIR FIELDS asked Ms. Day to talk about how the opportunity to interview would be changed from current practice.

MS. DAY responded that the current process for veterans, regardless of any qualifications such as disabled veteran or former prisoner of war, is to offer an interview. This process would be extended to those individuals outlined in the proposed legislation.

CO-CHAIR FIELDS asked how many people are typically interviewed for an opening.

MS. DAY responded that it varies depending on the job class and number of applicants. Three or four people may be interviewed for specialized jobs, or up to 20 applicants for a broader job class such as an office assistant.

CO-CHAIR FIELDS asked how often the current veterans' hiring preference results in a veteran being offered an interview.

MS. DAY said that every veteran is granted an interview.

CO-CHAIR FIELDS asked how many veterans are applying for state positions.

MS. DAY replied that she would find out.

[9:40:39 AM](#)

REPRESENTATIVE KAUFMAN asked whether there have been any conflicts with other hiring preferences.

REPRESENTATIVE NELSON deferred to Ms. Perreault.

[9:41:29 AM](#)

MS. PERREAULT stated that DoD has not seen any hiring preference conflicts but that she would like to confirm her understanding with NCSL.

CO-CHAIR FIELDS posed the same question to Mr. Wayne.

[9:42:13 AM](#)

MR. WAYNE said he is not aware of any legal conflicts presented by the proposed legislation.

[9:42:29 AM](#)

CO-CHAIR FIELDS asked Ms. Day whether the state tracks how many military spouses are employed by the state.

MS. DAY replied that two military spouses work in her department.

CO-CHAIR FIELDS asked whether the state systematically tracks how many military spouses it employs.

MS. DAY replied that it does not.

[9:43:25 AM](#)

REPRESENTATIVE NELSON thanked the committee.

[9:43:52 AM](#)

CO-CHAIR FIELDS announced that HB 125 was held over.
#

CONFIRMATION HEARING(S):
Alaska Workers' Compensation Board

[9:44:03 AM](#)

CO-CHAIR FIELDS announced that the final order of business would be the confirmation hearing for the governor's appointee to the Alaska Workers' Compensation Board. [The confirmation hearing for the appointee to the Alaska Workers' Compensation Board commenced on 4/14/21.]

CO-CHAIR FIELDS stated that the House Labor and Commerce Standing Committee had reviewed the qualifications of the governor's appointee and recommends that the following name be forwarded to a joint session for consideration: Dave Talerico, appointee to the Alaska Workers' Compensation Board. He said that signing the report regarding appointments to boards and commissions in no way reflects an individual member's approval or disapproval of the appointee, and the nomination is merely forwarded to the full legislature for confirmation or rejection.

[9:44:34 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 9:44 a.m.